



The Commission appreciates the Company's commitment to fully comply with Commission Order No. 2020-832, and is mindful of the technical limitations that may be presented in the implementation of such Order. In many ways, this Docket represents a case of first impression, requiring not only the traditional Integrated Resource Planning analyses, but many more additional considerations and establishing required contents for integrated resource plans ("IRP" or "IRPs") as mandated by the South Carolina Energy Freedom Act<sup>3</sup> ("Act 62" or "EFA").

### **STANDARD OF REVIEW**

Pursuant to S.C. Code Ann. § 58-27-2150, a party may apply within ten (10) days of service of the Order to the Commission for a rehearing in respect to any matter determined in the proceeding. Under S.C. Code Ann. Reg. 103-825(4):

A Petition for Rehearing or Reconsideration shall set forth clearly and concisely:

- (a) The factual and legal issues forming the basis for the petition;
- (b) The alleged error or errors in the Commission order;
- (c) The statutory provision or other authority upon which the petition is based.

"The purpose of the petition for rehearing and/or reconsideration is to allow the Commission the discretion to rehear and/or reexamine the merits of issued orders, pursuant to legal or factual questions raised about those orders by parties in interest, prior to a possible appeal."<sup>4</sup> A Petition for Rehearing or Reconsideration shall set forth clearly and concisely the factual and legal issues forming the basis for the petition, the alleged error or errors in the Commission Order, and the statutory provision or other authority upon which the petition is based.<sup>5</sup>

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<sup>3</sup> 2019 Act No. 62.

<sup>4</sup> *In re: South Carolina Electric & Gas Co.*, Order No. 2013-5 (Feb. 14, 2013).

<sup>5</sup> S.C. Code Ann. Regs. 103-825 (A)(4).

The applicable law under review by the Company's Petition is SECTION 7 of Act 62, which provides requirements for the filing and review of utility IRPs and which rewrote S.C. Code Ann. § 58-37-40 (Supp. 2020). SECTION 7 of Act 62 amended S.C. Code Ann. § 58-37-40 to require that utility IRPs must include, among other elements, "[s]everal resource portfolios developed with the purpose of fairly evaluating the range of demand-side, supply-side, storage, and other technologies and services available to meet the utility's service obligations." S.C. Code Ann. § 58-37-40(B)(1)(e) (Supp. 2020). SECTION 7 of Act 62 further states that the Commission shall only approve a utility's IRP if it finds that "the proposed integrated resource plan represents the most reasonable and prudent means of meeting the electrical utility's energy and capacity needs as of the time the plan is reviewed." S.C. Code Ann. § 58-37-40(C)(2)(Supp. 2020).

### **DISCUSSION AND FINDINGS OF FACT**

#### **1. The Extension of Time Related to the Near-Term Solar Analyses**

The first request for reconsideration by the Company is for an additional thirty (30) days extension of time to submit its additional production cost modeling and analysis to assess near-term solar acquisitions.<sup>6</sup> Commission Order No. 2020-882 ("Order") requires the Company to submit additional production cost modeling and analysis to assess near-term solar acquisitions and to submit the results within thirty days from the date of the Order (the "Near-Term Solar Analyses").

The Commission ordered Dominion to base the Near-Term Solar Analyses on the modification of multiple assumptions and inputs on which its planning model is to be based going forward (the "2020 Modifications"). This means that Dominion must model seven additional

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<sup>6</sup> Petition, p. 2-4.

resource plans<sup>7</sup> against eighteen different sensitivities and price assumptions related to natural gas prices, CO2 costs, and load growth, for a total of 126 individual scenarios. At the same time, the Order requires Dominion to prepare these 126 additional scenario analyses using a planning model that must be revised to include multiple changes to assumptions related to items including the capital costs of resources, inflation adjustments, load forecasts, CO2 forecasts, and natural gas prices. These tasks cannot be accomplished in 30 days. The underlying model must be revised tested, and validated before the 126 specific scenarios can be run. In its Petition, Dominion listed nineteen (19) model inputs that must be modified consistent with the Modified 2020 IRP. Dominion asserts that it is impossible to comply with the Commission's Order within thirty (30) days; in fact, Dominion cannot complete this work within thirty (30) days and needs additional time.

The record is clear that the process of modeling integrated resource plans is complex and time consuming. Dominion does assert that the Near-Term Solar Analyses can be completed within sixty (60) days along with the modeling of the other resource plans. The Commission finds this request to be a reasonable and timely one for reconsideration in Commission Order No. 2020-832.<sup>8</sup> This extension of thirty (30) additional days should afford the utility an opportunity to appropriately complete the intensive evaluation process ordered by the Commission. Additionally, this thirty (30)-day deadline was based on timing considerations that no longer apply -- the anticipated expiration of Federal Tax Credits for renewable energy projects. However, the prior deadline for these Federal Tax Credits no longer applies. Congress subsequently extended the

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<sup>7</sup> Modeling RP-7A and 7-B each with three different sets of assumptions as to solar prices results in six separate resource plans. RP-2 represents the seventh.

<sup>8</sup> Commission Order No. 2020-832, p. 86.

deadline by two (2) years which was signed into law on December 28, 2020 in H.R. 133, the Federal Consolidated Appropriations Act of 2021, §132.<sup>9</sup> The Commission further notes that several intervenors in Docket No. 2019-226-E filed a Response to Dominion's Petition for Reconsideration or Rehearing on January 14, 2021. In this filing, the South Carolina Solar Business Alliance, Southern Alliance for Clean Energy, and the South Carolina Coastal Conservation League voiced no objection to DESC's request, asserting,

Respondents agree that Congress's two year extension of the Federal Investment Tax Credit in its 2021 Consolidated Appropriations Act alleviates some of the time pressure associated with completing the Near-Term Solar Analysis, and believe DESC's proposal is reasonable with regard to the incorporation of the Near-Term Solar Analysis into the modeling of the other resource plans within 60 days, as provided for within the original Order.<sup>10</sup>

The Commission further finds that granting this request for reconsideration and then providing the thirty (30)-days extension of time is reasonable given the changing and expanded availability and durability of tax incentives.

## **2. Reassessment of the Selection of PLEXOS Software for Implementation**

The second issue raised by Dominion in its Petition for Rehearing and Reconsideration is that the Commission "reassess" its decision regarding the selection of PLEXOS capacity optimization software for implementation in year 2022 or thereafter. Dominion argues it has spent hundreds of thousands of dollars for the PLEXOS model and that the PLEXOS model is already being used across all of Dominion Energy's companies. Using a single software across the Dominion Energy companies allows resources to be shared among expert modelers in its different business units. Dominion is concerned that if denied the right to use the PLEXOS modeling

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<sup>9</sup> H.R. 133 Sec. 132, Pub.L. 116-260.

<sup>10</sup> Respondent's Response at p. 5.

software, it would be disruptive and anti-synergistic to the Company. Dominion further states that its parent company, Dominion Energy, favors PLEXOS because it replaces multiple short and long-term grid management and forecasting tools with one integrated hub that has the ability to seamlessly pass data across phases from short-term operations to long-term planning, and provides flexibility to model the effect on plans and future costs of various regulations and orders.

As explained hereinafter, the Commission finds that it is proper to deny the requested reassessment at this time, but also finds that it is appropriate to provide clarification to the Order. Beginning with its 2022 IRP Update, Dominion is required by the Commission to use stakeholder input to implement changes to the methodologies used to develop, analyze, and select resource plans.<sup>11</sup> The Commission does not identify in its Order the specific software that must be used. The Commission leaves that up to Dominion and the stakeholder process. There is nothing in Order No. 2020-832 to prevent Dominion from using PLEXOS if that is the software meeting the criteria. In its Petition for Rehearing or Reconsideration, Dominion states that it “is confident that it can demonstrate that the input and output data provided in an easily accessible form by PLEXOS is fully sufficient for intervenors to run their modeling of DESC’s system using the models and software of their choosing and on which they and their experts are trained.”<sup>12</sup> There is time for Dominion and the stakeholders to meet and to come to an agreement on the model.

To facilitate this process, the Commission finds it proper to require Dominion to meet with the intervenors and other stakeholders and provide a report to the Commission within ninety (90) days from date of this Order. The report by Dominion shall document the status and involvement

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<sup>11</sup> Order No. 2020-832, p. 92.

<sup>12</sup> Petition at p. 6-7.

of the stakeholder process being utilized to work with the interested parties to familiarize them with the PLEXOS software.

### **CONCLUSIONS OF LAW**

The Commission's rulings in Commission Order No. 2020-832 were based entirely upon the evidence in the record. The only departure from this Order which is now warranted is, due to a change in circumstance from the manner and treatment of federal tax credits, arising subsequent to the time of the Commission's initial consideration of the matter. Therefore, while the original Decision by the Commission is fully valid and supported by the evidence of record, it is reasonable and prudent to allow an additional period of thirty (30) days for the Company to conduct and submit its Near-Term Solar Analyses.

The Commission concludes that its position regarding the establishment of PLEXOS as the expansion modeling software of choice on a prospective basis was based upon the evidence of record and Dominion's Petition for Rehearing or Reconsideration does not establish grounds upon which such position should be reheard or reconsidered at this time. However, Dominion and the stakeholders shall meet as discussed and attempt to come to an agreement on the appropriate expansion modeling software.

#### **IT IS THEREFORE ORDERED THAT:**

1. The relief sought in the Petition for Rehearing or Reconsideration is granted in part and denied in part.
2. The portion of the Petition for an extension of time to conduct and submit Dominion's Near-Term Solar Analyses is granted. The Company shall have an additional thirty (30) days, as requested, to conduct and submit its Near-Term Solar Analyses.

3. The portion of the Petition asking the Commission to reassess its decision related to the use of PLEXOS as the expansion modeling software prospectively is denied.

4. There is time for Dominion and the stakeholders to meet and to come to an agreement on the expansion modeling software. Dominion must meet with the intervenors and other stakeholders and provide a report to the Commission within ninety (90) days from date of this Order.

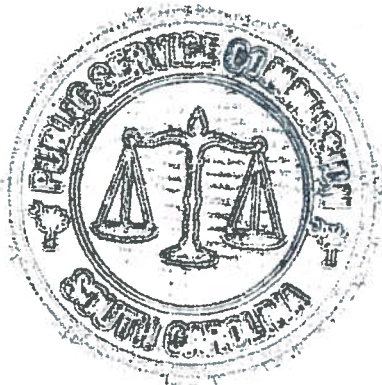
5. The report provided by Dominion incident to the stakeholder meeting shall document the status and involvement of the stakeholder process being utilized to work with the interested parties to familiarize them with the PLEXOS software.

6. The Commission further reserves the right to renew the requirement of such a report every ninety (90) days.

7. If any interested parties or intervenors desire to report on the process, such comments should similarly be filed in Docket No. 2019-226-E within ten (10) days of any report filed by Dominion on the stakeholder process concerning the adoption and implementation of the use of the capacity expansion software.

8. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



  
Justin T. Williams, Chairman  
Public Service Commission of  
South Carolina